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7/27/97

S.C. PUBLIC SERVICE COMMISSION

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JUL 21, 1997
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BEFORE THE
SOUTH CAROLINA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF BARNEY DRAKE

DOCKET NO: 97-153-E

1 Q. PLEASE STATE YOUR NAME AND ADDRESS.

2 A. My name is Barney Drake. My business address is Post Office Box 277,
3 Pickens, South Carolina 29671.

4 Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?

5 A. I am employed by Blue Ridge Electric Cooperative as the Senior Engineer.

6 Q. PLEASE BRIEFLY OUTLINE YOUR EDUCATION AND EXPERIENCE IN
7 THE ELECTRIC INDUSTRY.

8 A. I received a Bachelor of Science degree in Electrical Engineering from Clemson
9 University in 1977.

10 I have served as the Senior Engineer for Blue Ridge since February 1995. Prior
11 to working with Blue Ridge, I worked for Duke Power as an engineer from
12 January 1980 through February 1995.

13 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

14 A. I have examined and reviewed the activities of Duke Power Company ("Duke")
15 with regard to its attempts to provide electric service to the Nason Plant which
16 is located adjacent to South Carolina Highway 11, near the town of Walhalla,
17 which is wholly within territory assigned to Blue Ridge.

18 Q. WHEN DID YOU FIRST LEARN ABOUT THE NEW NASON PLANT?

19 A. I learned about the new Nason Plant in late 1996 when I received a call from a

RETURN DATE: _____
SERVICE: 01/02/97

20 Blue Ridge employee requesting assistance in determining what size transformer
21 would be needed to serve the plant at the time of operation. I directed that we
22 contact Duke Power Company to obtain load information from an existing Nason
23 Plant that was similar in size and located in Duke Power's assigned territory. We
24 learned that the existing Nason Plant only peaked at approximately 18 KW and
25 a review of the electrical panel schedule from Nason for the new plant listed the
26 panel connected load as 335kva.

27 **Q. WHAT DID YOU LEARN FROM NASON OFFICIALS REGARDING**
28 **THEIR ELECTRIC SERVICE?**

29 **A.** I learned that Nason was requesting information about Blue Ridge rates in an
30 effort to decide between Blue Ridge and Duke.

31 **Q. WHO INFORMED NASON OFFICIALS THAT THEY COULD CHOOSE**
32 **DUKE POWER TO SERVE A CUSTOMER IN BLUE RIDGE ASSIGNED**
33 **TERRITORY?**

34 **A.** I spoke to David Schmidt with Nason in late 1996 and he informed me that Duke
35 Power had assured him that Duke could provide electric service to the new Nason
36 Plant even if the plant was in Blue Ridge assigned territory. I also spoke to a
37 Duke employee who informed me that Duke had decided to try to serve Nason
38 based on corridor rights from a 44kv transmission line near the property. A map
39 showing the location of the Nason Plant and the 44kv transmission line is Exhibit
40 1 to my testimony.

41 Q. WHAT ACTION DID NASON TAKE WITH REGARD TO ELECTRIC
42 SERVICE?

43 A. I was informed by David Schmidt with Nason in early 1997 that they had signed
44 a contract with Duke Power despite Blue Ridge's objection. I informed Mr.
45 Schmidt that Blue Ridge continued to object and took the position that Duke had
46 no authority to serve the Nason Plant.

47 Q. WHAT OTHER DISCUSSIONS HAVE YOU HAD WITH DUKE
48 OFFICIALS?

49 A. I telephoned Harold Robbins, in Duke's Anderson office, in December 1996 to
50 express Blue Ridge's objection to any effort by Duke to serve the Nason Plant and
51 to request that Mr. Robbins check further on this matter. I also met with Steve
52 Goza with Duke Power at our office in late January 1997. He indicated that Duke
53 continued to take the position that it could claim rights to serve Nason from the
54 44kv transmission line and that Duke could also claim the line was a distribution
55 line.

56 Q. WHAT HAVE YOU LEARNED ABOUT HOW DUKE INTENDS TO SERVE
57 THE NASON FACILITY?

58 A. I was told by Steve Goza that Duke did not intend to tap the 44kv line to serve
59 the Nason facility. Duke has started building and converting approximately 1.5
60 miles of distribution line to serve the Nason facility.

61 Q. WHAT STEPS HAVE YOU TAKEN TO INSPECT THE NASON
62 PROPERTY AND THE DUKE TRANSMISSION LINE?

63 A. In April 1997, I traveled to the Nason property, and I inspected the Duke 44kv
64 line. I also inspected several of Duke's 44kv poles. There is a tap off of this line
65 to the Steel Heddle plant. Most of the poles on either side of the tap to the Steel
66 Heddle Plant had a 1974 birthmark. The tap structure that feeds Steel Heddle had
67 a 1980 birthmark. These birthmarks are consistent throughout the line and
68 demonstrate that the line was constructed as a transmission tie line.

69 Q. **WHAT ADDITIONAL INFORMATION DID YOU OBTAIN WHEN YOU**
70 **INSPECTED THE STRUCTURES THAT SERVE STEEL HEDDLE?**

71 A. I observed a sign at the disconnect structure on the Walhalla side of the tap
72 feeding Steel Heddle which said, "BEAR SWAMP LINE, WALHALLA TIE
73 SIDE STEEL HEDDLE TAP." I also observed a sign at the disconnect structure
74 on the Westminster side of the tap feeding Steel Heddle which said, "BEAR
75 SWAMP LINE, WESTMINSTER MN SIDE, STEEL HEDDLE TAP." I took
76 pictures and they are Exhibit 2 to my testimony.

77 Q. **BASED UPON YOUR REVIEW OF THE 44KV LINE, WHAT**
78 **CONCLUSION HAVE YOU REACHED ABOUT DUKE'S APPARENT**
79 **CLAIM THAT THE LINE IS A DISTRIBUTION LINE?**

80 A. It is clear that the 44kv was not initially constructed or intended to be a
81 distribution line. Based on a review of the line and an examination of the
82 birthmarks of the poles, Duke constructed the 44kv line as a transmission tie line
83 from Westminster Tie to Walhalla Main sometime in 1974. The line served no
84 individual customers for many years after it was built. A tap was built in 1981

85 to serve Steel Heddle. It is important to remember that Duke is not attempting
86 to serve the Nason Plant from the Steel Heddle tap off the 44kv line. In addition,
87 I have reviewed the affidavit filed by Mark E. Johnson, an engineer for Duke
88 Power, in which Mr. Johnson acknowledges that the 44kv line continues to serve
89 as a back up transmission tie line to the Walhalla station.

90 **Q. HAS BLUE RIDGE TAKEN ALL NECESSARY ACTION TO MEET THE**
91 **SERVICE NEEDS OF THE NASON PLANT?**

92 **A.** Blue Ridge has taken every step to provide prompt and efficient electric service
93 to the Nason Plant. I personally met with the general contractor for Nason and
94 other Nason officials to discuss their specific needs. Blue Ridge crews have
95 constructed a combination temporary overhead and permanent underground three
96 phase feeder on May 20, 1997. Nason did not have their conductors installed and
97 ready to be made hot until May 22, 1997. We provided electric service on May
98 22, 1997.

99 **Q. DOES BLUE RIDGE HAVE DISTRIBUTION LINES NEAR THE NASON**
100 **PLANT?**

101 **A.** Blue Ridge already has distribution lines immediately adjacent to the Nason
102 property with sufficient capacity to provide reliable electric service to the
103 facility. See Exhibit 1.

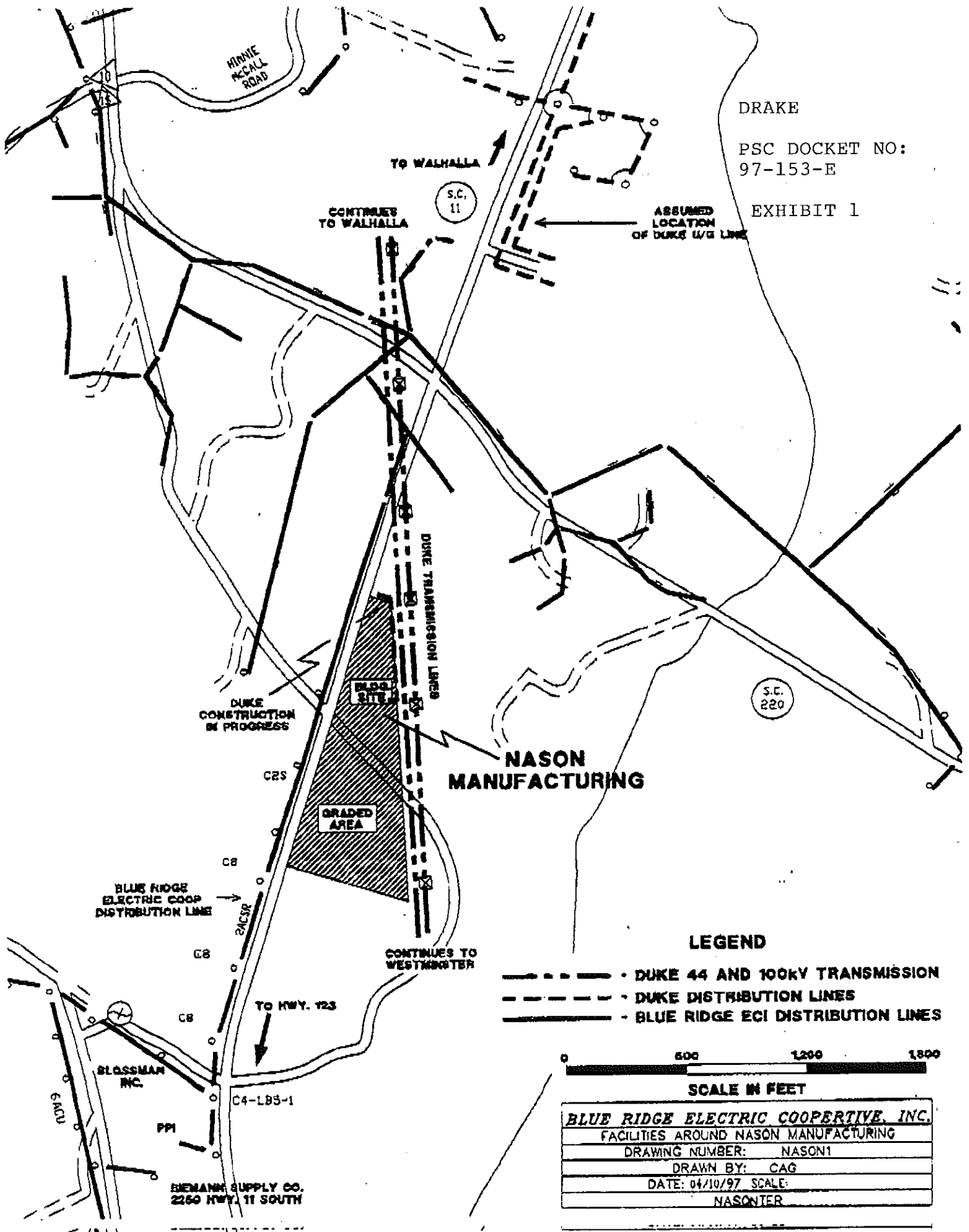
104 **Q. BASED UPON YOUR REVIEW IN THIS MATTER, WHAT IS YOUR**
105 **RECOMMENDATION TO THE COMMISSION?**

106 **A.** The 44kv line in question in this proceeding was not constructed as a distribution

107 line. It was constructed to serve as a transmission tie line between Walhalla and
108 Westminster. The Nason Company facility is a newly constructed facility situated
109 fully within territory assigned to Blue Ridge under the terms of the Territorial
110 Assignment Act of 1969. The maximum anticipated load for the Nason Plant is
111 less than 750KW. Even Duke is not treating the 44kv line as a distribution line
112 in this matter, as I was informed that Duke intended to build a line extension
113 from its existing distribution facilities located a considerable distance from the
114 Nason Plant to serve the Nason Plant. Duke should not be allowed to interfere
115 with Blue Ridge customers located in our assigned territory. I would request that
116 the Public Service Commission direct Duke Power Company to permanently cease
117 and desist from providing any electric service to the Nason Plant.

118 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

119 **A.** Yes.



DRAKE

PSC DOCKET NO:
97-153-E

EXHIBIT 1

ASSUMED
LOCATION
OF DUKE W/G LINE

TO WALHALLA

CONTINUES
TO WALHALLA

S.C.
11

DUKE TRANSMISSION LINES

DUKE
CONSTRUCTION
IN PROGRESS

C2S

GRADED
AREA

NASON
MANUFACTURING

S.C.
220

LEGEND

- - - - - DUKE 44 AND 100KV TRANSMISSION
- - - - - DUKE DISTRIBUTION LINES
- - - - - BLUE RIDGE ECI DISTRIBUTION LINES

0 600 1200 1800

SCALE IN FEET

| | |
|---------------------------------------|----------|
| BLUE RIDGE ELECTRIC COOPERTIVE, INC. | |
| FACILITIES AROUND NASON MANUFACTURING | |
| DRAWING NUMBER: | NASON1 |
| DRAWN BY: | CAG |
| DATE: | 04/10/97 |
| SCALE: | NASONT |

BLUE RIDGE
ELECTRIC COOP
DISTRIBUTION LINE

CONTINUES TO
WESTMINSTER

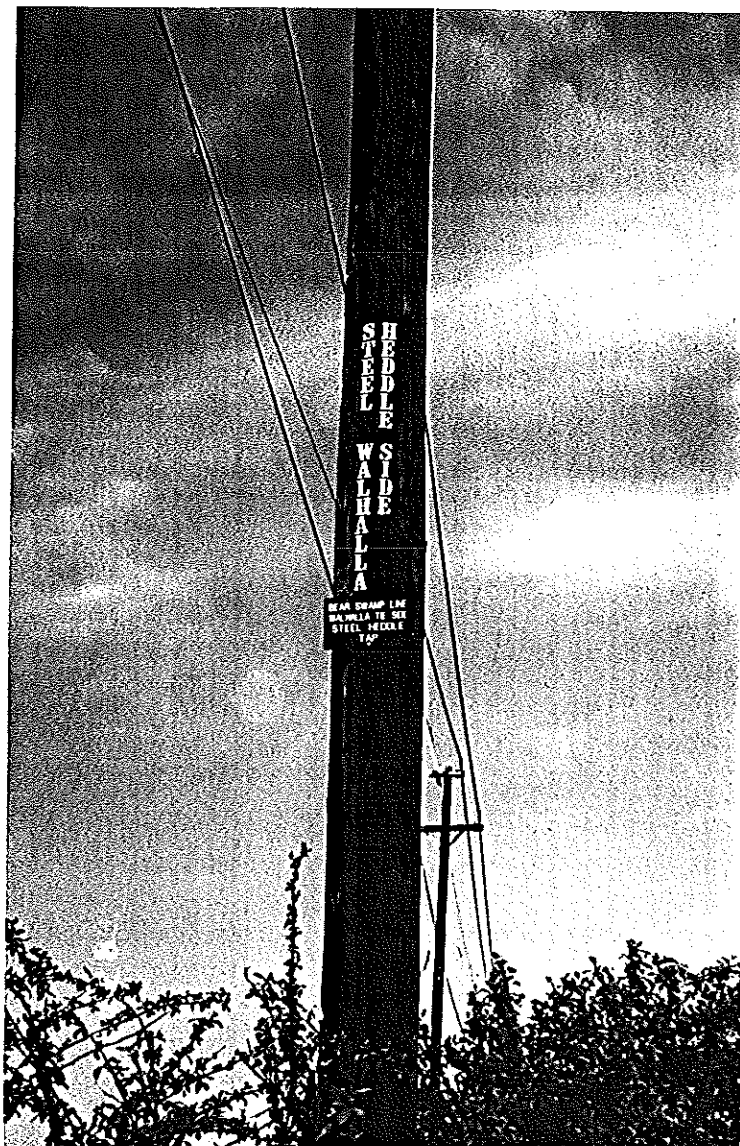
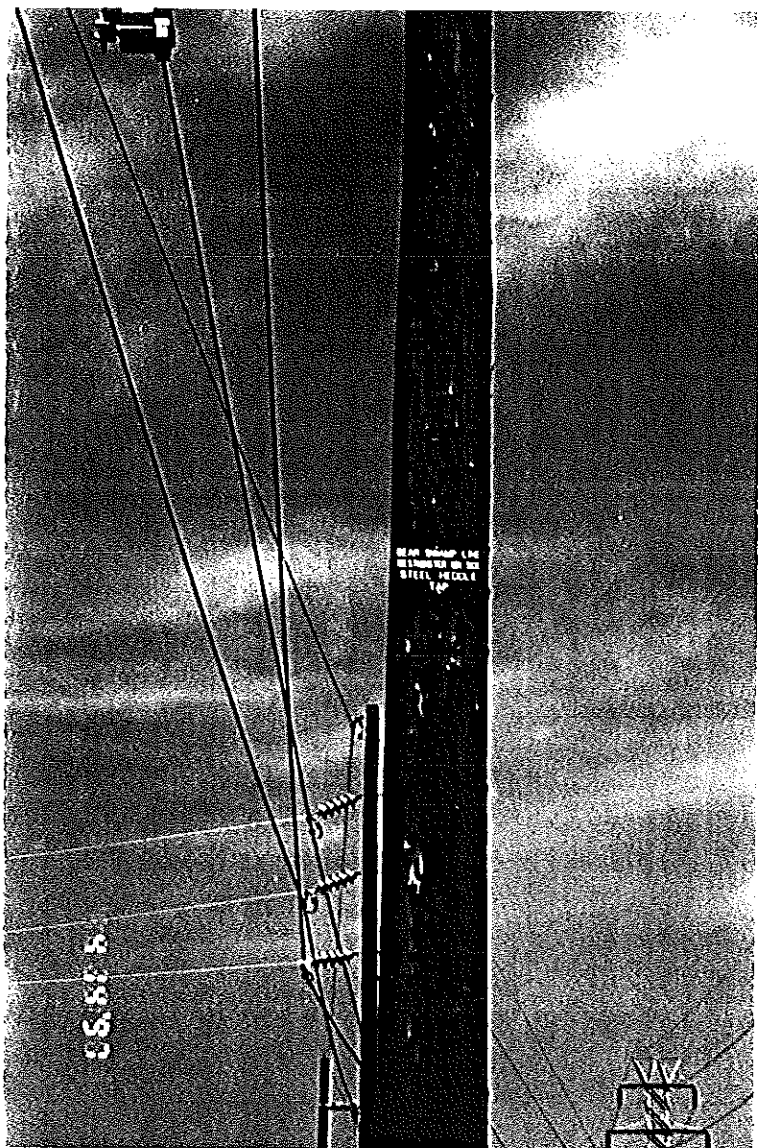
TO HWY. 123

BLOSSMAN
INC.

PPH

BIEMANN SUPPLY CO.
2250 HWY. 11 SOUTH

HINIE
McCALL
ROAD



DRAKE

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EXHIBIT 2